

NAVIGATING MEDICARE PART D OPTIONS

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**ROAD TO
RETIREMENT**

PLANNING YOUR RETIREMENT
FROM INDIANA UNIVERSITY

Housekeeping

- **Session will not be recorded**; however, a PDF of the slides is available on the Road to Retirement website at hr.iu.edu/benefits/road-to-retire.html.
- All attendees have been placed on mute. If you have technical issues, please message an IUHR representative in the chat for assistance.
- Watch the chat for helpful links to additional information.
- **Please put all questions in the Q&A box.** Do not put any questions related to a personal situation in the Q&A.
- At the end of today's session, you will be asked to complete a brief survey.

MEDICARE PART D



SHIP

Navigating Medicare

*A Division of the Indiana Department of Insurance

Minimum Coverage Once Eligible*

***Must have:**

Original Medicare

- Part A
- Part B
- Part D or other creditable drug insurance.

*Medicare enrollment can be delayed if covered under you (or your spouse's) employer group health from a company larger than 20 employees (100 employees if on Medicare due to disability).

Option 1

Original Medicare

- Part A
- Part B
- Part D

Optional, but recommended:

**Medicare Supplement (Medigap)
OR other secondary insurance
coverage such as the IU Blue
Retiree Plan.**

Option 2

Medicare Advantage Plan (Part C)

Must be enrolled in Medicare Part A and B (benefits provided by Advantage plan)

Most plans will include a Part D plan built-in.

*If you choose a plan without Part D, you will need to have creditable drug insurance from outside of Medicare.

Part D Medicare Prescription Drug Coverage

Medicare drug plans:

- Approved by Medicare
- Run by private companies
- Available to everyone with Medicare

Two ways to get coverage:

- Medicare Prescription Drug Plans (**PDP**) – Works with Original Medicare
- Medicare Advantage Plans with prescription Part D drug coverage included (**MAPD**)

NOTE: Part D enrollment can be delayed past age 65 if enrolled in another creditable drug coverage plan (e.g., IU employer plan)

Part D Eligibility Requirements



You **must have Medicare Part A and/or B** to join a Medicare Prescription Drug Plan (PDP).



You must have **BOTH** Medicare Part A and Part B to join a Medicare Advantage Plan.



Just like Medicare Advantage plans, must **live in the plan's service area**.



You must **proactively apply to join a plan**. Only individuals with Medicaid assistance may be auto-enrolled into a Part D plan.

How Medicare Part D Works

As of 2006, all Medicare beneficiaries are required to have Part D (PDP or MAPD) or other creditable drug insurance from an alternate source (VA Drug plan, employer or retiree drug plan etc).

For Part D, beneficiary is responsible for:

- Paying the plan a monthly premium
 - Part D in Advantage plans could be \$0 on a zero-premium Advantage plan or will be a portion of the total Advantage plan premium
- Paying any deductibles and copayments at the pharmacy

Part D built into advantage plans tend to have lower deductibles and overall drug costs.

Part D Late Enrollment Penalty

Penalty if you delay or go without coverage

Can't go longer than **63 days** without Part D or creditable coverage once eligible

If you do, pay a penalty **for as long as you have coverage**

- 1% of base beneficiary premium (\$36.78 in 2025)
 - For each full month eligible for Medicare but do not have a Part D plan or creditable drug insurance.
 - 1 month past 63 days= 1% (~\$.37); 2 months=2%; 3 months=3%.....etc
 - Penalty calculators available online
 - PDP/MAPD is responsible for collecting the penalty once enrolled

If your yearly income in 2022 was:

File individual tax return	File joint tax return	File married & separate tax return	You pay (in 2024)
\$106,000 or less	\$212,000 or less	\$106,000 or less	Regular plan premium
above \$106,000 up to \$133,000	above \$212,000 up to \$266,000	N/A	\$13.70 + your plan premium
above \$133,000 up to \$167,000	above \$266,000 up to \$334,000	N/A	\$35.30 + your plan premium
above \$167,000 up to \$200,000	above \$334,000 up to \$400,000	N/A	\$57.00 + your plan premium
above \$200,000 and less than \$500,000	above \$400,000 and less than \$750,000	above \$106,000 and less than \$500,000	\$78.60 + your plan premium
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$85.80 + your plan premium

Part D Medicare Prescription Drug Plans

- Can be flexible in benefit design
 - What drugs are covered, deductible amount, drug tiers etc
- Must offer at least a standard level of coverage
- Vary in costs and drugs covered
- Benefits and costs may change each year
- Plans must cover certain drugs in protected categories



Drugs Excluded By Law Under Part D

- Drugs for anorexia, weight loss, or weight gain
- Erectile dysfunction drugs when used for the treatment of sexual or erectile dysfunction
- Fertility drugs
- Drugs for cosmetic or lifestyle purposes
- Drugs for symptomatic relief of coughs and colds
- Prescription vitamin and mineral products
- Non-prescription drugs



Medicare Drug Plan Costs

Costs vary by plan.

In 2025, most people will pay:

- A monthly premium (could be \$0/mo on some MA plans or \$0 Wellcare Part D plan)
- A yearly deductible (\$0-\$590)

Copayments or coinsurance:

25% for covered brand-name drugs in the coverage gap

- 25% for covered generic drugs in the coverage gap
- Up to \$2000 out of pocket limit

Deductible Phase

You will Pay...

Up to \$590/year

\$590 is the maximum deductible a plan can charge; some plans may have a lower deductible or even no deductible at all.

A deductible is an amount you owe before the insurance plan pays anything.

***Many plans will not make you pay towards the deductible for Tier 1 and Tier 2 prescriptions*

Initial Coverage Phase

You will Pay...

A copay (\$) or coinsurance (%) up to 25% of the retail drug cost.

If the total retail cost of all your drugs after one or more refills in the year reaches **\$2,000** then you will move to the next phase, the coverage gap.

This \$2,000 limit includes the deductible, copays and coinsurances for all drugs. The monthly premium is not included.

Catastrophic Coverage Phase

You will Pay...

\$0 copays for both generic and brand name drugs for the remainder of the year.

New for 2025: \$2,000 max out-of-pocket for Part D. (You will pay no more than \$2,000 for your drugs in a year).

All forms of insulin, covered by the Part D plan's formulary, will be \$35/refill through all phases and not subject to the deductible. **All adult recommended vaccines** are covered for \$0.

How To Save Money On Part D

- Locate pharmacies that are “preferred” on your plan
- Use coupons like GoodRx
 - Only drugs paid for by your part D plan are tracked and get you closer to the donut hole
- Research pharmaceutical manufacturers discount programs
- See if you qualify for “Extra Help” for your Part D costs through Social Security
- Ask you doctor to change you to cheaper alternatives or options that are on your plan’s formulary



Drug Coverage through Other Parts of Medicare

Part D does not cover all prescriptions **ALL** the time.

Whether **Medicare Part A, Part B, or Part D covers** a drug depends on:

- Medical necessity
- Health care setting
- How the drug is administered
- Medical indication (why you need it, like for cancer)
- Any special drug coverage requirements
 - Such as immunosuppressive drugs following a transplant

Part A Prescription Drug Coverage

Part A generally pays for:

- All drugs **during a covered inpatient stay** received as part of treatment in a hospital or skilled nursing facility
- Drugs used in **hospice care** for symptom control and pain relief only



Part B Prescription Drug Coverage

Part B covers limited outpatient drugs:

- Most **injectable and infusible** drugs given as part of a doctor's service
- Drugs used at home with some types of Part B covered **durable medical equipment**
- Insulin pumps/nebulizers
- Some oral drugs with special coverage requirements like
- Certain oral anti-cancer and antiemetic drugs
- **Immunosuppressive drugs**, under certain circumstances



Part B Prescription Drug Coverage

Part B covers certain immunizations as part of Medicare-covered preventive services:

- Flu shot
- Pneumococcal shot (to prevent pneumonia)
- Hepatitis B shot

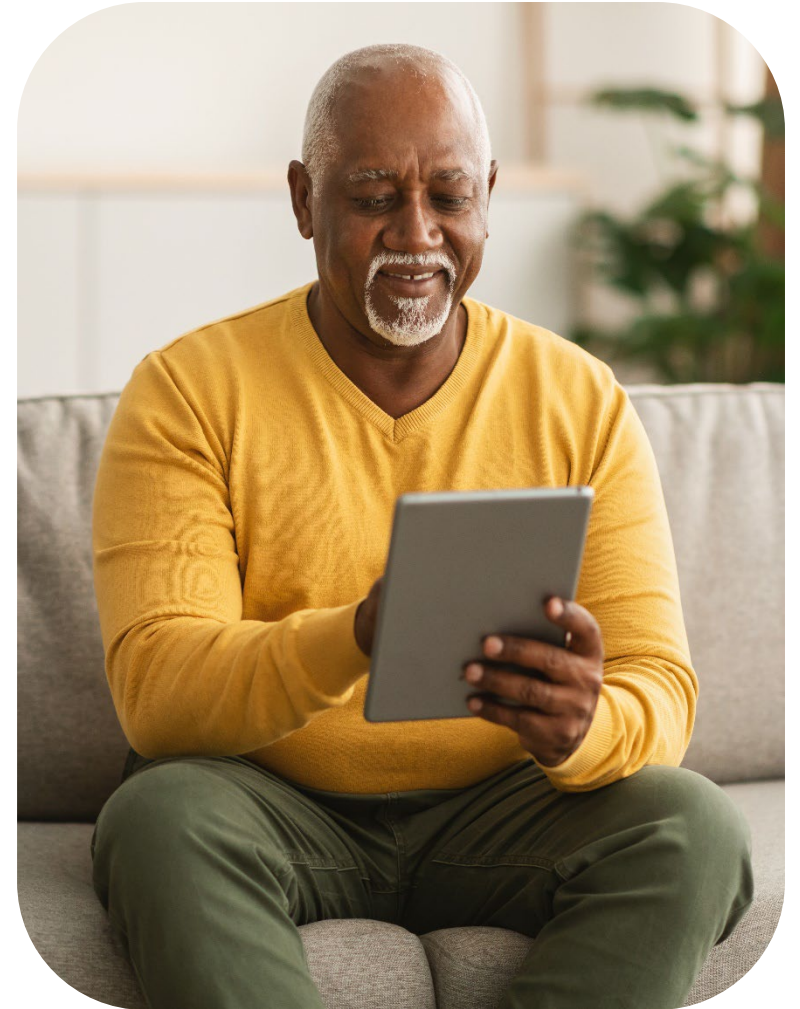
Part B may cover certain vaccines after injury or exposure to a disease:

- Tetanus shot
- Rabies



When You Can Join or Switch Part D Plans

- Initial Enrollment Period
- SEP when losing current creditable coverage
- Medicare's Open Enrollment Period is October 15–December 7 each year, coverage starts January 1
- Additional special enrollment periods



When You Can Join or Switch Part D Plans

Special Enrollment Periods (SEP):

- You move out of your plan's service area
- You have Medicaid and Medicare
- You have a quarterly SEP if you qualify for Extra Help
- Your plan leaves the Medicare Program or reduces its service area
- You leave or lose employer or union coverage
- You enter, live at, or leave a long-term care facility (like a nursing home)
- Other exceptional circumstances

Note: Each SEP has different allow timeframes to make changes. Please see the link below or search online for document to see all SEPs

[Understanding Medicare Part C and Part D Enrollment Periods](#)

Choosing A Part D Plan

To **compare** plans by computer or phone:

- Use the Medicare Plan Finder at: [Explore your Medicare coverage options](#)
- [Mymedicare.gov](#)
- Call 1-800-MEDICARE (1-800-633-4227)
- Contact your State Health Insurance Assistance Program (SHIP) for help comparing plans


To **join** a Part D Plan:


- Enroll at Medicare.gov
- Call 1-800-MEDICARE (1-800-633-4227)
- Enroll on the plan's website or call the plan
- Complete a paper enrollment form





Welcome to Medicare

[Get Started with Medicare](#)


Log in or create an account
Access your information anytime, anywhere
[Log in/Create Account](#)


Find health & drug plans
Find & compare plans in your area
[Find Plans Now](#)


Find care providers
Compare hospitals, nursing homes, & more
[Find Providers Near Me](#)


Talk to someone
Contact Medicare & other helpful resources
[Get Help](#)

Showing 10 of 24 drug plans

SORT PLANS BY

Lowest drug + pr

SilverScript SmartSaver (PDP)

Aetna Medicare | Plan ID: S5601-190-0

Star rating: ★★☆☆☆

MONTHLY PREMIUM

\$4.80 Includes: Only drug coverage

TOTAL DRUG & PREMIUM COST (for the rest of 2023)

\$14.40 Only includes premiums for the months left in this year when you don't enter any drugs

DEDUCTIBLE

\$505.00 Drug deductible

PHARMACIES

[Add your drugs & pharmacies](#)
Select pharmacies to see which

DRUGS

[Add your prescription drugs](#)
Enter drugs you take regularly
estimated drug + premium co

Enroll

Plan Details

Add to compare

For More Information

SHIP (State Health Insurance Assistance Programs)

800-452-4800

TTY: 800-846-0139

shiphelp.org

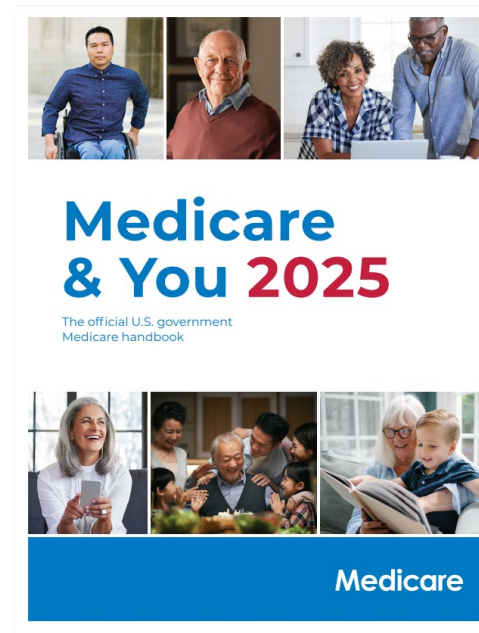
Medicare

800-MEDICARE (633-4227)

TTY: 877-486-2048

medicare.gov

Medicare & You Handbook:
medicare.gov/medicare-and-you



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Don't miss these upcoming Road to Retirement webinars:

Feb 7 – IU Retiree Status, Benefits & Perks

Feb 11 – Medicare Basics (*repeat*)

Feb 14 – HSA Rules You Can't Afford to Miss at Age 65

Feb 21 – Social Security Overview

Feb 28 – Fundamentals of Retirement Income Planning

March 7 – Prepare for the Reality of Healthcare in Retirement

Register at hr.iu.edu/benefits/road-to-retire.html



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Thank You!
QUESTIONS?



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